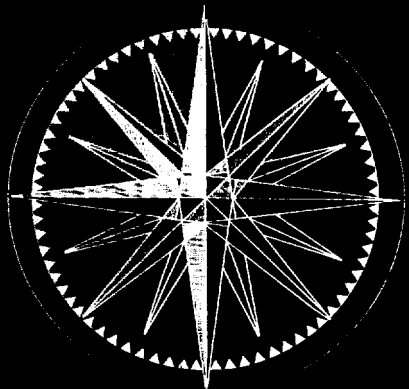


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2007/02/07 : CIA-RDP79-00927A005000110001-6

22 October 1965

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# WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY  
OFFICE OF CURRENT INTELLIGENCE

State Dept. review completed

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C O N T E N T S

(Information as of noon EDT, 21 October 1965)

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| VIETNAM   | 1           |
| <p>The number of confirmed SAM sites in North Vietnam now totals 32, one of which was destroyed by US aircraft last week--the first such successful attack of the war. Hanoi and Peking seized the propaganda opportunity provided by the Vietnam protest demonstrations in the US last weekend. The Viet Cong failed last week in efforts to start a "hate the US" month in South Vietnam, but the weekly total of Communist-initiated incidents reached a new high.</p> |             |
| <p style="text-align: center;"><u>The Communist World</u></p>   |             |
| SOVIET ECONOMY STILL STAGNATING   | 3           |
| <p>Recent Soviet economic statistics for the first nine months of 1965 indicate a continuation of basic trends reported earlier this year, showing, in effect, that the malaise in the Soviet economy has not been overcome.</p>  |             |
| THE SOVIET COMMUNICATIONS SATELLITE SYSTEM  | 4           |
| <p>Moscow clearly hopes to make political hay from its communications satellite system by offering its services to other countries in competition with the US system. The Soviets do not yet have a proven system, however.</p>   |             |
| PEKING'S ATTITUDE TOWARD THE UN   | 4           |
| <p>The Chinese Communists have recently sharpened their vilification of the UN and have spelled out more bluntly their all but prohibitive conditions for membership--possibly in an effort to minimize the impact of another defeat this year.</p>   |             |
| EASTERN EUROPEAN DISSATISFACTION WITH SOVIET TRADE  | 6           |
| <p>Industrialized East European countries, dismayed at Moscow's indecisiveness and waning concern over their economic needs, may accelerate their efforts to increase trade with the West.</p>  |             |
| RUMANIAN-US RELATIONS IMPROVING   | 7           |
| <p>Rumania's disapproval of US involvement in Vietnam is a continuing irritant, but regime leaders appear optimistic about prospects for further improvement of ties.</p>   |             |

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**SECRET****REPERCUSSIONS IN YUGOSLAVIA OF TITO'S ILLNESS**

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Rumors that Tito is seriously ill have triggered intense speculation about the prospect of a Yugoslavia without his leadership. This will undoubtedly have an unsettling effect on domestic politics.

**Asia-Africa****INDONESIA**

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President Sukarno and the top army leadership continue their intensive maneuvering which centers on the status of the Indonesian Communist Party. For the moment each apparently feels it needs the other if the country is to avoid civil war.

**INDIA-PAKISTAN**

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The pattern of an uneasy peace punctuated by sporadic cease-fire violations continues. Indian authorities in Kashmir are increasingly troubled by agitation for a plebiscite, and Pakistani-sponsored infiltrators still pose a problem.

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**PROSPECTS FOR AN AFRO-ASIAN CONFERENCE**

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The Chinese Communists seem to have antagonized many in pressing for a postponement, and it remains doubtful whether the conference can be held on 5 November as scheduled.

**NEW CONGOLESE CABINET NAMED**

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Premier-designate Kimba will submit his list to Parliament next week. Interior Minister Nendaka and others' hostile to Moise Tshombé seem likely to dominate the cabinet.

**COUP ATTEMPT STIRS BURUNDI TRIBAL TENSIONS**

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Four prominent leaders of the majority Hutu tribe have been ordered arrested, and Tutsis may seek to regain their traditional dominance.

**RHODESIAN INDEPENDENCE STATEMENT NEARS**

13

The Salisbury government apparently has decided on its action, which London suspects will be fuzzed in order to complicate imposition of sanctions.

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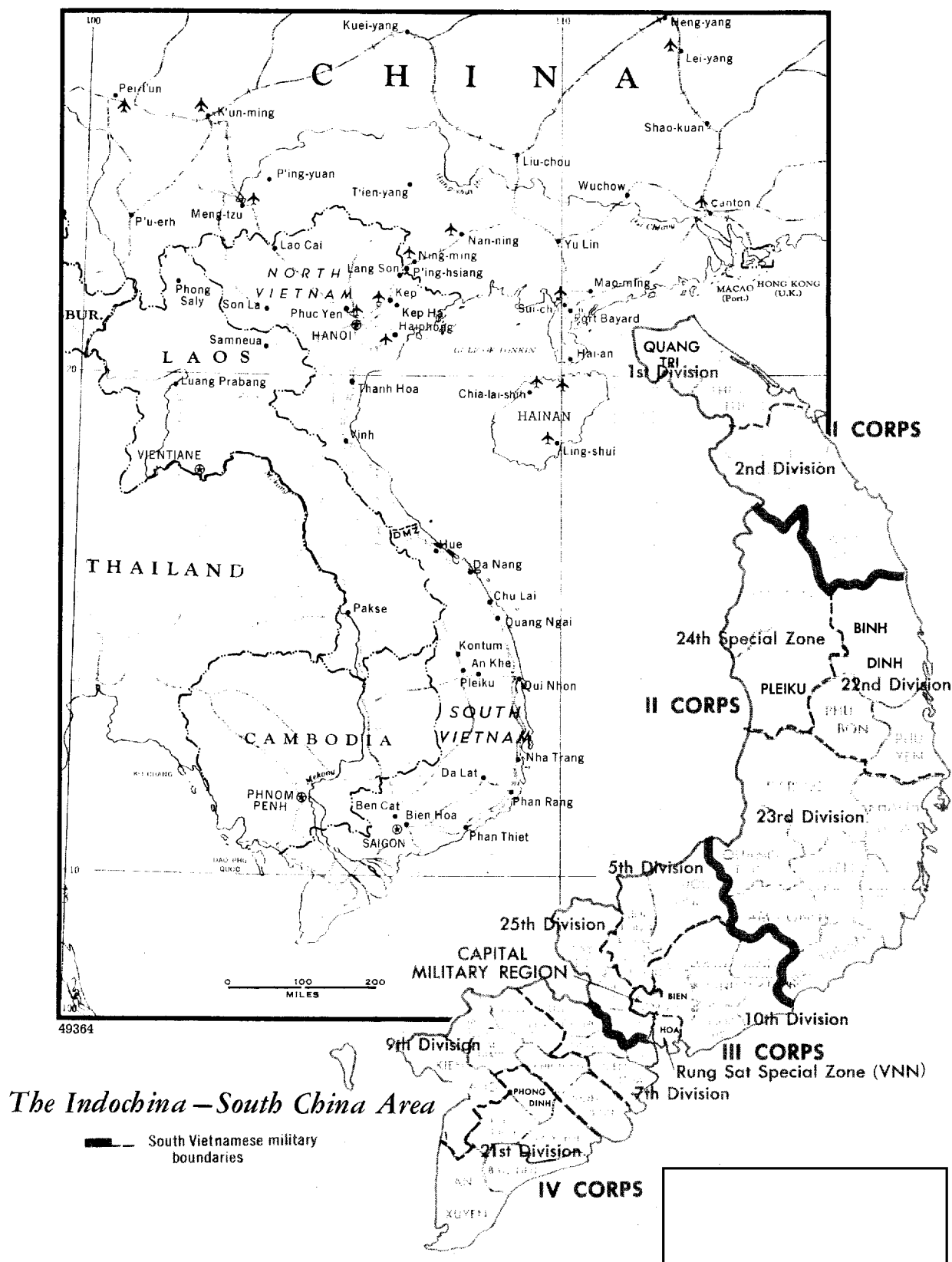
Europe

- NATO NUCLEAR DEVELOPMENTS 14  
Agreement on a "special committee" of defense ministers to examine NATO nuclear problems coincides with growing uncertainty over the various proposals for NATO nuclear sharing.
- COMMON MARKET: PROBLEMS OF THE FIVE 15  
The EEC Council meeting opening in Brussels on 25 October will be primarily a strategy session of France's five Common Market partners on how to deal with De Gaulle's boycott.
- DOMESTIC OPPOSITION TO DE GAULLE'S EEC POLICY UNORGANIZED 16  
Farm organizations, which are most vitally affected, are unwilling to start active opposition without the support of labor unions, the employers' association, or the opposition political parties. 25X1

Western Hemisphere

- PANAMA'S DEBATE ON CANAL NEGOTIATIONS 17  
Opponents of the government have been unable to create a major crisis over the canal issue. The Communists are apparently waiting to see how former president Arias and his "united front" are faring.
- URUGUAYAN GOVERNMENT FACES NEW LABOR TENSIONS 17  
It cannot grant the 50-percent wage increase sought by the unions and still demonstrate the fiscal responsibility it must show to get needed foreign loans, credit, and aid.
- DOMINICAN REPUBLIC 19  
Tensions have eased in the capital following agreement on a government plan to disarm civilians on 21 or 22 October. President Garcia Godoy's determination to carry out the plan in the face of any resistance will be critical to his retaining authority.

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## VIETNAM

During the past week three more surface-to-air missile sites were confirmed in North Vietnam--the total is now 32--and the first major SAM support facility was discovered about 23 miles southwest of Hanoi. Several other SAM sites have been reported by US pilots and other sources but these have not yet been confirmed by photography. One of these possible sites may be located southwest of Vinh, the farthest south any SAM site has been noted to date. If SAMs have been introduced into this area it may be to protect Hanoi's vital lines of communication to Laos and South Vietnam during the coming dry season, when Hanoi will undoubtedly attempt to resume truck convoys to southern Laos.

US Navy aircraft on 17 October attacked and destroyed a SAM site in the Kep Ha area. In this first successful attack against a DRV SAM site, US pilots reported destroying several radar/electronic control vans, ten missile transporters, and two missiles.

### US Demonstrations Exploited

Hanoi and Peking seized the propaganda opportunity provided

by the Vietnam protest demonstrations held throughout the US last weekend. In an editorial of 16 October, Hanoi claimed that the demonstrations proved that the American people were becoming more aware of the unjust nature of US actions in Vietnam; Peking called the protests a "staggering blow for US war policy." The propaganda treatment attempted to establish an identity of interests between the Vietnam Day committee in the US and the Vietnamese "peoples'" actions in resisting the US in Vietnam. Hanoi continued the campaign throughout the week, exaggerating the mass character of the protests and characterizing them as a "sweeping storm of hatred for the Johnson clique."

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Hanoi is counting heavily on such popular protests in the free world to induce a change in US policy, its present propaganda appears to further the more limited objective of discrediting US policy wherever possible.

### Hanoi and European Communists

The Vietnamese Communists continued to seek closer relations with European Communists

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last week. The Liberation Front, in the wake of its recent success in opening up new offices in Bulgaria and Hungary, dispatched a delegation to Poland on 16 October "to tighten the solidarity and friendship between the South Vietnamese and Polish people." Regime leaders also signed a joint communiqué with a high-level Hungarian party delegation and hosted lower level groups from both East Germany and Italy. An East German deputy premier who arrived in Hanoi on the 16th and an Italian Communist Party group which left Hanoi on the 15th both discussed medical assistance to the Vietnamese.

#### The "Hate America" Campaign

In South Vietnam, the Liberation Front put its reputation on the line in a test of Viet Cong influence among the urban Vietnamese population. City dwellers, however, ignored strong Communist appeals for an hour of silence and a work stoppage on 15 October to initiate a "month of hatred of the US." Front propaganda claims to the contrary, streets in Saigon remained crowded throughout the day, and there was only one minor instance of terrorism directed against US personnel. Communist political power in the cities, not considered to have been strong in the past, has probably declined recently because of the growing feeling among urbanites that prospects for a Communist military victory are diminishing.

#### VC Military Action

Viet Cong military activity throughout the countryside has

shown no signs of slackening, as the weekly total of enemy-initiated incidents rose to a new high for this year. Following well-established trends, the past week's activity was centered in the heavily populated delta region south of Saigon and consisted primarily of terrorism, a long-standing enemy tactic designed to maintain and increase the cooperation of the rural population. A flurry of small-scale ambushes and attacks were also reported in IV Corps last weekend. Occasional larger attacks launched by Viet Cong companies and battalions against Vietnamese units again resulted in heavy Communist losses. Government troops defending outposts in Quang Tri and Pleiku provinces suffered relatively light casualties between 19 and 21 October while killing well over 100 enemy attackers.

Elsewhere, Communist main force units continued to avoid Allied forces conducting major operations in Binh Dinh and Bien Hoa provinces. The most significant enemy contact resulting from a government operation occurred on 13-14 October in Phong Dinh Province, when Vietnamese troops aided by close air support killed an estimated 170 Viet Cong. Government casualties during the operation were increased considerably, however, when enemy troops disguised as a relief force later infiltrated the government position, killing the wounded and the acting battalion commander.

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**SECRET**The Communist World**SOVIET ECONOMY STILL STAGNATING**

Data released by the USSR on the performance of its economy during the first nine months of 1965 indicate a continuation of the basic trends reported earlier this year. The increase in industrial production is given as 8.9 percent, down from the 9.3 percent claimed for the first six months but still above the 8 percent planned for all of 1965.

The decline in industrial growth is largely due to a drop in the rate of increase in the foodstuffs industry from the exceptionally good results registered earlier in the year. The earlier figures were unusually high because this industry's per-

formance following the good 1964 crops was being compared with its slump last year in the wake of the disastrous 1963 grain harvest.

The support now given to the over-all industrial growth figure by the food industry will continue to diminish as the agricultural factors supporting its recent record cease to apply. The total figure for industry therefore will decline further unless there is a basic improvement in other industrial sectors. The nine-month results, however, imply that a substantial recovery in these other branches is unlikely during the last quarter of the year.

The increase in industrial output for the full year is likely to approximate the 8 percent planned unless recent investment --traditionally not reported with the third-quarter results--is more productive than has been the case recently. The 8-percent increase will be an improvement over the 7.1-percent rise claimed for 1964. However, because of the unusual impact of the food industry's performance on the over-all industrial index this year, the 8-percent increase will not signify that the present malaise in the Soviet economy has been overcome.

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USSR: SELECTED ECONOMIC INDICATORS  
January - September 1965  
(Percentage Increase Compared With Same Period in Preceding Year)

|                                   | Nine Months<br>1964 | Nine Months<br>1965 | First Half<br>1965 | Plan for Full<br>Year 1965 |
|-----------------------------------|---------------------|---------------------|--------------------|----------------------------|
| Gross Industrial Production*      | 7.1                 | 8.9                 | 9.3                | 8                          |
| Labor Productivity in Industry    | 4                   | 5                   | 5.4                | 5.7                        |
| Chemical Industry                 | 15                  | 14                  | 14                 | 15                         |
| Ferrous and Nonferrous Metallurgy | 8                   | 8                   | 8                  | 7                          |
| Fuel Industry                     | 7                   | 7                   | 7                  | **                         |
| Machine Building and Metalworking | 10                  | 9                   | 9                  | 9                          |
| Wood Products and Paper Industry  | 7                   | 5                   | 5                  | **                         |
| Light and Food Industry           | 3                   | 8                   | 10                 | 10                         |
| Steel (crude)                     | 6                   | 7                   | 7                  | 6                          |
| Mineral Fertilizer                | 28                  | 24                  | 26                 | 31                         |
| Coal                              | 4                   | 5                   | 5                  | 1                          |
| Plastics and Resins               | 25                  | 16                  | 16                 | 28                         |
| Crude Oil                         | 9                   | 9                   | 8                  | 8                          |
| Natural Gas                       | 22                  | 18                  | 17                 | 17                         |
| Cotton Textiles                   | 6                   | 3                   | 3                  | **                         |
| Shoes                             | 2                   | 2                   | 2                  | 1                          |
| Refrigerators                     | 21                  | 43                  | 38                 | 64                         |

\* Soviet figures are generally 2 to 3 percentage points higher than CIA and other Western estimates.

\*\* Not available

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**SECRET****THE SOVIET COMMUNICATIONS SATELLITE SYSTEM**

With the successful orbiting of its second Molniya communications satellite on 14 October, the USSR appears to be moving toward a system of satellites that eventually will provide constant relay facilities across the Soviet Union and adjacent land masses. Such a multisatellite system would be of considerable value in Soviet civil and military communications, but Moscow also clearly hopes to make political gain from the program by offering its services to other countries as a competitor of the US system.

The USSR has invited at least two nations--Japan and France--to share the relay facilities of the Molniya network. The approach to Japan in August was quite informal and has produced no tangible results. However, some type of agreement involving the Molniya system could result from Franco-Soviet talks on space cooperation concluded this week in Paris.

Efforts to find business for the Molniya network, however, may be a bit premature. The Soviets do not yet have a proven system. Although they imply that the first Molniya, launched in April, has provided relay for about six months, it may have stopped func-

tioning. If this is the case, the Soviets must orbit at least two additional Molniya satellites in order to set up a system with a satellite always in position for receiving and relaying communications throughout the northern part of the Eurasian land mass.

The Soviet and US systems differ considerably. The US employs relatively lightweight satellites--on the order of 200 pounds--whose "synchronous" orbits cause them in effect to remain stationary in space with respect to the earth. The Molniya satellites, on the other hand, weigh from 1,300 to 1,900 pounds and follow highly elliptical, nonstationary orbits which limit the periods in which they can be used for relay purposes. Although the Soviets claim that the higher powered transmitter aboard the Molniya satellites substantially reduces the cost and complexity of ground installations--an important factor in competing with the US system--the fact that the satellites are nonstationary and require continuous tracking is a drawback.

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**PEKING'S ATTITUDE TOWARD THE UN**

The Chinese Communists have recently sharpened their vilification of the UN and have more openly and bluntly expressed their all but prohibitive conditions for membership in the organization. Although the Chinese

have not stopped their supporters from introducing the customary UN resolution calling for Peking's admission and Taipei's ouster, their statements strongly suggest they do not anticipate admission this year. The Chinese

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Communists probably feel that a no-holds-barred assault on the world body as presently constituted will minimize the impact of another defeat this year and might possibly generate new pressures for some UN reorganization.

In his wide-ranging press conference on 29 September, Foreign Minister Chen Yi raised Peking's price for accepting a seat. He demanded a retraction of the UN resolution condemning China for aggression in the Korean war, a review and revision of the organization's charter, admission of all "independent" countries, and expulsion of all "imperialist puppets." The Chinese have long been pressing for a major and fundamental reorganization of the UN, but Chen's remarks spell out Peking's position more precisely and explicitly than ever before.

The increasingly harsh and bitter tone of Peking's statements on the UN appears to reflect frustration that Communist China's advocates in the General Assembly are annually outmaneuvered by the US and its supporters. The Chinese find it particularly galling that so many delegates accept the proposition that Peking's admission is an "important question" requiring a two-thirds majority. This tactical device, first employed in 1961, effectively placed membership beyond reach at a time when it appeared that a simple majority favoring Peking's admission was close to achievement.

At the root of Peking's charges is the belief that the US controls the UN, and it is this that prompts the Chinese to

call for a "thorough reorganization." Peking's dissatisfaction has been further intensified by what it views as increasing Soviet complicity in US machinations.

Frustration and pessimism over prospects for admission undoubtedly led Peking to hail Indonesia's withdrawal from the UN last winter as a "just, correct, and revolutionary action" and to raise the possibility that a second and Chinese-dominated world body might be established. Premier Chou En-lai at a banquet for the Indonesian foreign minister last January first made the suggestion that "rival dramas be staged in competition." Other Chinese leaders echoed the line, but international reaction even in the Afro-Asian world was universally unfavorable. Peking has therefore soft-pedaled the issue, and the specter of a second world organization now is raised primarily to underscore pressures to reorganize the UN. Chen Yi recently noted that conditions would "no doubt gradually ripen" for a new UN if the present one fails to be revamped.

Despite increasingly shrill attacks on the world body, the Chinese continue to welcome international support for their admission and seek to exploit US opposition efforts. They apparently feel that they can continue to get along outside the UN, but that in the long run the UN will find it increasingly difficult to function while a nuclear power controlling nearly a quarter of the world's population remains outside.

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**SECRET****EASTERN EUROPEAN DISSATISFACTION WITH SOVIET TRADE**

Industrialized East European countries which trade with the USSR are dismayed at Moscow's indecisiveness and its waning concern over their economic needs. Several East European officials have expressed dissatisfaction both with the results of recent negotiations concerning long-term Soviet delivery of raw materials and foodstuffs and with the variety of manufactured goods the USSR is willing to import. Continued Soviet indifference is likely to lead to looser economic relationships, paralleling the trend in Eastern Europe toward greater political independence. This in turn may prompt some East European economic officials to accelerate their efforts to increase trade with the West.

The Council on Mutual Economic Assistance has failed to serve as a workable vehicle for the management of multilateral economic relations within the bloc. This failure, together with a growing concentration on national interests rather than bloc-wide interests, has led to greater reliance on bilateral arrangements. But this approach has not produced satisfactory results either. Bilateral negotiations on trade for the 1966-70 period have been protracted

and difficult. The recent Soviet-Czech five-year trade pact, for example, although calling for a 30-percent increase over trade under the current agreement, failed to meet Czech expectations. Soviet party leader Brezhnev's unheralded three-day visit to Prague last week may have been designed in part to placate the Czechs. East Germany too is still smarting from the brush-off its high-ranking delegation received from Soviet officials, who indicated that they could not meet a large portion of prospective East German trade requirements.

The USSR may be temporizing because it has not yet firmed up its own five-year economic plan (1966-70) and is concentrating on domestic economic problems. Faced with a poor wheat crop this year and uncertain about future crops, the USSR probably is reluctant to commit itself to large deliveries to Eastern Europe over the next five years.

Despite the current dissatisfaction in Eastern Europe, trade with the USSR, if less dynamic, remains substantial, ranging from one third to one half the total trade of the individual East European countries.

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## RUMANIAN-US RELATIONS IMPROVING

Rumanian-US relations are again gradually improving following a short period of deterioration after the failure of Bucharest's effort to purchase a synthetic rubber plant from the Firestone Company last April. Rumania's disapproval of US involvement in Vietnam is a continuing irritant, but regime leaders appear optimistic about the prospects for further improvement of relations.

In pursuing its independent foreign policy, Bucharest has largely eliminated its subservience to Moscow without greatly impairing proper relations, has remained friendly with other Eastern European countries, and has taken some steps to improve its ties with Communist China. Bucharest has also stressed increased contacts with the West.

US-Rumanian cultural exchanges have slowed somewhat, and there are difficulties in arranging new ones, ostensibly because of increased US involvement in Vietnam. However, several recent events point to Rumania's commitment to better relations with Washington. Its opposition to US actions in Vietnam has been consistently restrained, and it has also demon-

strated a willingness to cooperate in resolving consular cases as well as to resume negotiations for a consular convention.

Following their experience with Firestone, Rumanian authorities have more realistically appraised the outlook for increased trade. While Bucharest expects that the US will ultimately accord Rumanian most-favored-nation status, it also recognizes that such status is no panacea. Bucharest has registered its satisfaction over a recent contract with Universal Oil Products for a catalytic cracking plant, the licensing of US petroleum equipment for export to Rumania, and a recent visit by an official American trade mission.

On the other hand, recent ministerial-level shifts in Bucharest provide a disquieting note which may affect future relations. There may be no direct relationship, but the replacement of chemical minister Florescu on 20 October marks the downgrading or shunting aside of all of the ministerial-rank participants in negotiations leading to last year's US-Rumanian trade agreement.

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## REPERCUSSIONS IN YUGOSLAVIA OF TITO'S ILLNESS

Rumors that President Tito is seriously ill, and may have suffered a heart attack, have triggered intense speculation among party and government officials and the public about a post-Tito Yugoslavia. This will undoubtedly have an unsettling effect on domestic politics.

Tito, now 73, has been recuperating from the flu but was reported in good health when last observed publicly on 4 October. Since then he has apparently had no visitors, and has canceled both Gomulka's planned visit to Yugoslavia and his own scheduled visit to Rumania. Even if the rumors have no foundation, Tito's recent flu attack, his unusually heavy schedule during the past seven months, and his personal involvement with pressing domestic problems have all contributed to his need for a prolonged rest.

Even a mild Tito illness causes a flurry of speculation on the succession question, and the relative positions of the leading contenders apparently have not changed in the past year. Aleksandar Rankovic is the heir apparent by virtue of both his government position of vice president and his second-ranking status in the party, but probably would be unable to wield Tito's full authority. Rankovic would share governmental responsibility with Edvard Kardelj, president of

the increasingly powerful Federal Assembly (parliament), and party responsibility with fellow party secretaries Kardelj and Veljko Valhovic.

In view of the top leadership's apparently total commitment to Tito's policies, Yugoslavia's domestic and foreign policy orientation would remain basically unchanged should Tito be incapacitated for a prolonged period. Nevertheless, none of Tito's lieutenants enjoy his prestige and authority, or his ability to control Yugoslavia's various minority ethnic factions.

In any change of leadership various rival elements in Yugoslavia would seize the opportunity to advance their own interests. Tito's absence would probably lead to an increase of both traditional Serbo-Croat rivalries and the competition between the more liberal, highly developed republics and the more conservative, less advanced areas. Moreover, conservative, middle-level functionaries would be encouraged to oppose more openly the regime's efforts to establish a decentralized, self-managed economic and political system. Belgrade's importance as a leader of the uncommitted countries, so carefully nurtured by Tito, probably would decline.

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Asia-Africa

INDONESIA

President Sukarno and the top army leadership continue their intensive maneuvering which centers on the status of the Indonesian Communist Party (PKI).

For the moment Sukarno and the army need each other, and they fear civil war if they go into open opposition. Sukarno's name and his unifying influence are indirectly helping the army consolidate its position, particularly in Central Java where the Communists have considerable strength. Sukarno, for his part, appears reluctant to discard the army until he can rebuild the PKI into a strong and acceptable base of support.

30 September movement. No trials have been held, but about 75 persons are reported to have been executed. Air force commander Marshal Dani, who was deeply involved, has been sent on an overseas assignment, and interrogations by the air force of its own personnel are continuing. The interim air force commander, however, is said to be unacceptable to the army. So far, three of the 17 regional army commands, including Djakarta, have suspended activities of the PKI and its affiliates. In several other areas, the movement of Communist leaders is restricted.

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The PKI has received a major but not a mortal blow. Its communications, command structure, and some of its organizational strength have been damaged. The party's basic organization, however, appears to be largely intact and capable of recovery if its activities were approved by the government and army attacks were stopped.

Sukarno is pressing the line that the PKI was not the only group involved in the 30 September plot. He openly states--quite accurately--that elements of the army, air force, and palace guard also participated. He continues to push proposals which would permit the reconstitution of the PKI in some form.

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## INDIA-PAKISTAN

The pattern of an uneasy peace punctuated by sporadic cease-fire violations continued along the Indo-Pakistani border during the past week.

While India and Pakistan charge each other daily with disregard for the truce, most incidents have been of a minor nature, involving sporadic firing across the lines or attempts to adjust local positions. Tension maintained by these incidents cannot be discounted, but neither is it likely that either country wishes a return to the scale of warfare prior to the armistice of 23 September.

The withdrawal of forces to their 5 August positions which was to follow a cease-fire still appears some time away. The continued confrontation in turn clouds the prospect that the cease-fire will become truly effective. Each country makes withdrawal conditional on the other's action--in effect creating an impasse based on the demand, "You first."

India, meanwhile, continues to make it plain that it is not yet prepared even to consider discussions with Pakistan to settle Kashmir's status, if those discussions imply any loosening of India's hold over the area. Prime Minister Shastri several days ago again emphasized his government's view that Kashmir is an integral part of India.

The UN Security Council remains stalled in its efforts to

implement its 20 September cease-fire resolution. Insistence by France and the USSR that the operations of the UN observer missions in Kashmir and the Punjab be the responsibility of the Security Council rather than the secretary general has delayed passage of a follow-up resolution designed to speed the disengagement of opposing forces.

Inside Indian-held Kashmir, local authorities are increasingly plagued by agitation for a plebiscite. Further demonstrations in Srinagar city, led by youthful elements, have brought police crackdowns and the closing of schools. These elements apparently are no longer sympathetic with the nonviolent approach long advocated by Kashmiri opposition leaders.

Kashmiri security forces must also contend with Pakistani-sponsored infiltrators, whose crossing of the Kashmir cease-fire line in August led to the Indo-Pakistani warfare. Although some Indian officials have recently asserted that considerable numbers have been withdrawn, others allege Pakistani plans to expand the infiltration program with several thousand men now being trained. It seems likely in any case that Pakistan will be tempted to promote additional trouble in Kashmir unless it can perceive some progress toward loosening India's grip on the area.

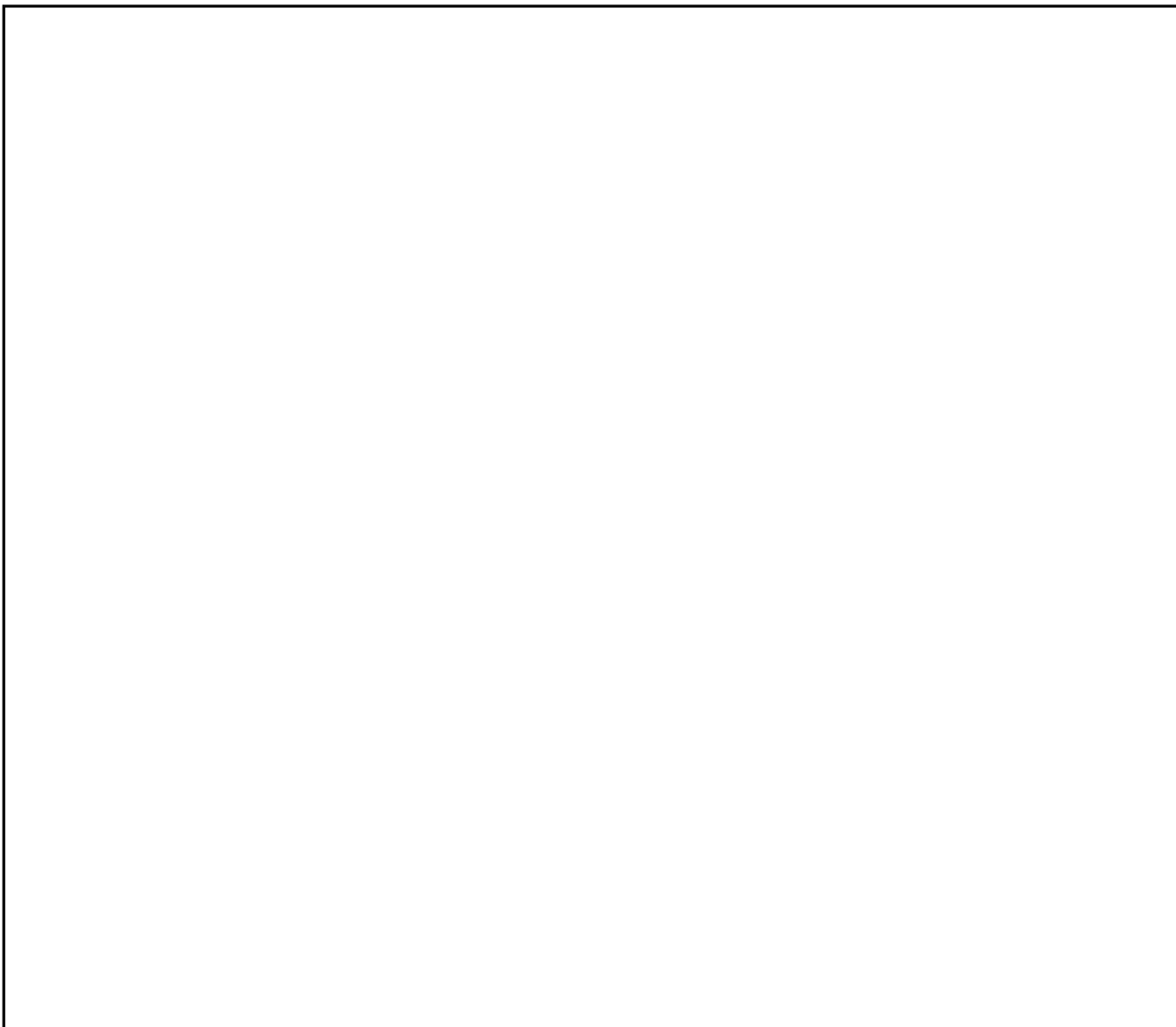
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#### PROSPECTS FOR AN AFRO-ASIAN CONFERENCE

The future of the Afro-Asian Conference scheduled for 5 November is still in doubt as a result of intensive Chinese efforts to seek a postponement. In the 14-20 October ambassadorial-level preparatory meeting in

Algiers, the Chinese, backed by the Cambodian and Pakistani delegations, proposed that the conference be put off indefinitely. Peking's eleventh-hour efforts result from a growing realization that it cannot stage-manage the

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proceedings or block Soviet participation. The Chinese argue that a conference at this time would only expose Afro-Asian differences, to the benefit of the "imperialists."

Although a majority of the representatives on the preparatory committee opposed postponement, there was no agreement on how to deal with China's adamant stand. The meeting adjourned after instructing the Algerians to sound out other Afro-Asian opinion and to report back on 24 October. Even then the committee may leave the question to be settled by the foreign ministers, who are to meet on the 28th. Three of the 15 committee members--Tanzania, Zambia, and Malawi--did not take part in the preparatory session. Tanzania has announced its support for postponement, but the position of the other two is unclear.

Peking's heavy-handed efforts offended many members of the committee and cost China at least a temporary loss of prestige. The Chinese representative made vio-

lent attacks on the US, and criticized Algeria's invitation to U Thant, whom they termed a US agent. The Chinese further dismayed their Algerian hosts by openly disputing with the committee chairman and attacking Foreign Minister Bou-teflika. Even the Indonesians were tongue-lashed for refusing to support the Chinese arguments. The Chinese are also pressing their campaign at the current meeting in Accra of the Organization of African Unity.

Even if the Afro-Asian conference is held, it could still founder on any one of several divisive issues, including the question of Soviet participation. The roster of chiefs of state in attendance will be far from complete. Tanzania's Nyerere, Kenya's Kenyatta, Tunisia's Bourguiba, and Ivory Coast's Houphouet-Boigny, for example, have already indicated they will not go. It is also unlikely that Pakistan's Ayub, Indonesia's Sukarno, and Ethiopia's Haile Selassie will attend.

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#### NEW CONGOLESE CABINET NAMED

Congolese Premier-designate Evariste Kimba has listed a cabinet which Interior Minister Nendaka and his anti-Tshombé associates are likely to dominate. Of the 16 ministers and three secretaries of state, six are Nendaka's supporters and allies. The absence from the list of other powerful supporters of Nendaka's Congolese Democratic Front probably is intended to leave them free to manage Parliament in Kimba's and Nendaka's favor.

vubu returns next week from the summit meeting of the Organization of African Unity in Accra. The chances of its being approved are enhanced by the delay. As recently as a few weeks ago Tshombé's Conaco party had a clear majority in each house, but as an "out" party in the Congo, it is likely to suffer severely from defections. One European observer suggests that Conaco may "quietly melt away from under Tshombé and discreetly onto the next bandwagon."

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The list will not be submitted to Parliament until President Kasa-

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### COUP ATTEMPT STIRS BURUNDI TRIBAL TENSIONS

The Burundi government has begun to recover from the coup attempt of 19 October, but the situation is still fluid. Evidence continues to mount that the revolt was inspired by some members of the majority Hutu tribe, and minor incidents could spark tribal disorders.

The specific identities and motivations of the coup plotters are still not known. Some have apparently escaped into the countryside, where they may try to stir up the population. The King, who fled to the eastern Congo at the height of the mutiny, quickly returned to the capital.

Deep-seated tribal tensions may also be exacerbated by extremists of the previously dominant Tutsi tribe. Tutsi leaders may attempt to convince the King, also a Tutsi, that his two-year-old policy of balancing the ethnic elements in the government has failed, and that he should allow the Tutsis to regain the hegemony they enjoyed for nearly four centuries.

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### RHODESIAN INDEPENDENCE STATEMENT NEARS

Prime Minister Smith and his cabinet apparently have decided to proceed with a declaration of independence for white-ruled Rhodesia. Smith has stated that a "decision in principle" has been reached, but no formal announcement has been made.

Smith, apparently hoping to place the onus on London for a unilateral declaration, has requested in a letter to Prime Minister Wilson that the UK grant Rhodesia its independence on the basis of the 1961 constitution. He further offered to undertake a treaty "as an earnest of our good faith," implying that Rhodesia would promise not to place further limits on African political rights.

Although Smith's terms seem unacceptable to London, Wilson has announced he will fly to Salisbury for further talks this weekend.

Earlier this week Smith categorically rejected Wilson's proposal for a Commonwealth prime ministers' mission, stating that it would be impractical and might cause bitterness.

London is increasingly suspicious that Rhodesian independence will be implemented on a piecemeal basis rather than through a dramatic break with the UK. Smith has stated previously that independence would be an extremely complicated operation and might take several months to implement. A gradual step-by-step assumption of independence, preceded by a declaration of general intent, would present the UK with the dilemma of deciding at what point to initiate its threatened sanctions, and might produce confusion among the Africans in the United Nations and the Organization of African Unity.

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Europe

NATO NUCLEAR DEVELOPMENTS

The 12 October agreement of the North Atlantic Council to set up a "special committee" of defense ministers to examine problems of nuclear command and control in NATO and related communications requirements coincides with growing uncertainty over proposals for NATO nuclear sharing.

The new committee is far larger than the "select committee" of four or five of NATO's principal defense ministers proposed by Defense Secretary McNamara last May. Because so many countries insisted on joining, the idea of a small and more efficient body had to be abandoned. Luxembourg, Portugal, and Iceland do not intend to participate, and Norway and Denmark are undecided. All the other Alliance members, except France, are likely to sit in when the first meeting is held next month.

The Paris Working Group has been marking time on Britain's Atlantic Nuclear Force (ANF) proposal pending the formation of a new West German government, and London itself seems to have cooled toward its own idea. In a 10 October press interview, Foreign Secretary Stewart questioned the usefulness of an ANF and stated that NATO members should seriously consider the extent to which their nuclear

force proposals may be obstructing East-West agreement on non-proliferation of nuclear weapons.

Following on the virtual stalemate on Alliance nuclear arrangements since last December, these and other signs of a possible shift in approach to the NATO nuclear problem have produced the expected uneasiness in Bonn. Earlier, during West Germany's recent election campaign, both Chancellor Erhard and Foreign Minister Schroeder had asserted that a German role in nuclear targeting and planning was not enough--Germany must participate in some kind of integrated weapons system itself.

Last week the West German ambassador to NATO indicated concern that consideration of nonproliferation agreements may be outdistancing consideration of collective nuclear arrangements in NATO and cautioned that no German government "can really sign away its nuclear future without getting something very tangible and foreseeable in return." The German UN observer has also alluded to press reports that the MLF is being abandoned and alleged that if this should be true it would encourage German Gaullism "of a much worse kind than the French."

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### COMMON MARKET: PROBLEMS OF THE FIVE

With an EEC Council meeting scheduled for 25 October, there is still no agreement among the five members who will attend on how to deal with France's four-month-old boycott. None of the Five wishes to capitulate to De Gaulle's demands or to provoke him to greater intransigence, but there is no consensus on what would constitute either capitulation or provocation. Some among the members believe it imperative that community activity resume; others feel it is unrealistic to expect this before the presidential elections this December in France.

The Five's strategy talks will focus in part on the possibility of their reaching an understanding on agricultural financing--the issue that sparked the French walk-out. Such an agreement, it is thought, would show some community movement, undercut De Gaulle's argument that the Five reneged on commitments to provide financing, and make it clear that the real problem is his political demands. Agreement may be prevented, however, by Italian Foreign Minister Fanfani's recent insistence on terms which are not only unacceptable to France, but difficult for the Commission and others of the Five as well.

Fanfani's "conditions," although in keeping with Italian farm interests, may also reflect his personal belief that it would be more politic not to present

the French with a farm agreement until they have been offered some kind of six-nation meeting and had a chance to respond. The idea of such a meeting, however, has been encountering increased skepticism since it was first proposed by Belgian Foreign Minister Spaak. The Dutch in particular are uneasy that Spaak appears to have lost track of his initial condition that this would be a one-time offer which, if refused by the French, would leave the Five free to operate the community without them.

If despite their reservations the Five decide to propose such a meeting to the French, it has seemed more likely that Paris would try to put it off until after the French elections rather than reject it outright. By spurning an offer to negotiate, De Gaulle would be running the risk of consolidating the coalition of the Five, and if it is his intention to run again for the presidency, he may feel his chances of recasting the community will be best next spring when his proposals for revamping NATO may also be on the table. Nevertheless, the French foreign minister's restatement of Paris' position on 20 October was scarcely conciliatory. He rejected the Commission's proposals as a basis for new negotiations and called for intergovernmental discussion of "over-all revision" of the community.

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## DOMESTIC OPPOSITION TO DE GAULLE'S EEC POLICY UNORGANIZED

De Gaulle's EEC policy has not yet been seriously challenged either by the French farm organizations, which are most vitally affected by the failure to achieve a common agricultural policy, or by the labor unions, the employers' association, or opposition political parties.

To some extent, the absence of a concerted opposition--despite evidence of concern in all these groups--is due to the government's relaxation of some price controls and to increases in direct and indirect subsidies to the farmer. The farmers are also the target of an intense government propaganda effort to remind them that Gaullist policies both domestically and in the EEC have been to their best interest.

The farmers, for their part, are anxious to avoid a head-on collision with De Gaulle over a political issue in an election year. According to the assistant secretary general of the National Farmers Union, strong action in support of the EEC Commission could lead to such a confrontation, which De Gaulle would surely win. Should the Common Market collapse altogether or be drastically modified, agricultural groups are well aware that they would then be entirely dependent on the government to maintain farm incomes.

The farmers are further restrained by the fact that they have not yet been really hurt by the EEC crisis. The 1965-66 grain program is about as favor-

able to producers as could be expected. Nor are the farmers entirely unhappy with De Gaulle's call for a reduction in the influence of the EEC Commission, since they believe the Commission opposes their desire to maintain some control over the formation and implementation of farm policy.

Even so, the farmers might have stood up to De Gaulle if they had some chance of support. Neither labor nor employer were clearly behind them and the opposition political parties are in such complete disarray--unable even to agree on a presidential candidate--that farm leaders feel it would be foolish to commit themselves to a battle.

If the EEC crisis continues after the presidential elections on 5 December and France's five EEC partners show no signs of knuckling under, pressure on the government from farmers and businessmen will become stronger. It is doubtful, however, especially if De Gaulle is re-elected, that such pressures will override the political considerations which motivate De Gaulle's EEC policies. The American Embassy in Paris advanced the opinion some months ago that, even should De Gaulle actually "withdraw" from the Common Market, he would retain the support of the bulk of the French people. The latest French public opinion poll gave De Gaulle 68 percent of the vote against the then-declared candidates.

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Western Hemisphere

PANAMA'S DEBATE ON CANAL NEGOTIATIONS

Opponents of President Robles so far have been unable to create a major crisis in Panama over the canal issue despite almost four weeks of heated public debate. Former president Arnulfo Arias and a group of political malcontents who have formed a "united front" are hoping to turn public opinion against the government by charging that the country is being "sold out" in the negotiations.

Arias' campaign received a setback when a debate at the University of Panama on 14 October failed to spark student agitation against the government. The following day, Foreign Minis-

ter Eleta and two treaty negotiators participated in a nationwide radio-television broadcast to counter criticism and defend the presence of US military bases in the Canal Zone.

Meanwhile, there are indications that the orthodox Communist Party (PdP) would like to exploit the canal negotiations but is suspicious of Arias and his united front group. As has often been the case, the PdP will probably wait cautiously on the sidelines until it decides that Arias' campaign has a chance of success.

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URUGUAYAN GOVERNMENT FACES NEW LABOR TENSIONS

Strikes, strike threats, and continuing economic deterioration have again created an uneasy atmosphere in Montevideo. Government security forces, however, are confident that the security measures in effect since 7 October will enable them to deal with any violence or further Communist-inspired strikes.

Late in September municipal employees walked off the job for 72 hours, disrupting public services in Montevideo. Workers in government autonomous agencies

staged a 48-hour strike from 27 to 29 September and a 72-hour strike from 13 to 15 October. A 24-hour general sympathy strike called by the Communist-dominated National Workers Convention (CNT) on 13 October was at least partially successful and affected some 300,000 workers. In addition, government banks have frequently closed their doors because of employee slowdowns. Other strikes seem imminent unless government and union leaders reach agreement.

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The crux of the current crisis is the government workers' demand for a 50-percent wage raise. They have refused a government-offered package, including wages and side benefits, totaling 25 percent, and union leaders have pointed out that the cost of living is expected to rise more than 60 percent this year. On 19 October the government announced the adoption of the long-promised single foreign exchange rate, in effect devaluing the peso, and it may be taking steps to implement other necessary, if unpopular, economic austerity measures.

Rank and file pressure on the Communists and union leaders to produce is intense, particularly because a year-long pre-election wage freeze for government employees goes into effect in November.

Pressure on the government to hold the wage line and to maintain security is equally intense because the government must demonstrate some political and fiscal responsibility if it is to receive vitally needed foreign loans, credit, and aid. In addition, any sign of government weakness would not only encourage further Communist-backed economic demands, but would be interpreted as a Communist victory. The party would gain additional respectability and probably increase its electoral strength in November 1966.

[REDACTED] No important Communist Party or labor official has been arrested despite the government's detention of suspected subversives.

For the past year the party has vacillated between fear of inviting government reprisals or provoking a rightist coup on the one hand and a desire to exploit the legitimate grievances of the workers on the other. Within the last month, PCU policy appears to have veered sharply toward the latter course as the party apparently now fears that failure to produce benefits for the workers will cost it support within the labor unions.

Moreover, should the government bow to labor's demands it would greatly increase the risk of a coup. Leading police and military officials have staked their prestige on resolving the current dispute in the government's favor. Many responsible political, military, and business leaders are obviously frustrated by the government's ineffectiveness in the economic and political crises, and a government backdown now could spark an unconstitutional change of government.

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# DOMINICAN REPUBLIC

Tensions have lessened in Santo Domingo since agreement was reached on a government plan to disarm civilians on 21 or 22 October. President Garcia Godoy's determination to carry out the plan, in the face of whatever resistance may be offered, will be critical to his retaining authority.

Garcia Godoy's position deteriorated steadily in the early part of the week, following the murder Saturday of a prominent right-wing politician by a Communist-led mob. By mid-week the former rebel zone in downtown Santo Domingo was effectively back under rebel control. Rebel troops were returning to it and barricades were being re-established. Garcia Godoy repeatedly postponed a forcible collection of arms in the zone, and was equally unwilling to commit regular military forces to action against the resurgent leftists. Right-wing and moderate Dominicans, convinced that the government could not or would not keep order, were organizing themselves to counter and retaliate against expected terrorist attacks.

Developments of the past week have served to polarize political differences to the detriment of moderates of both sides. The extreme left is increasingly committed to pushing its advantage through violent action. As a consequence, moderates are moving reluctantly to the right out of fear and disillusionment with Garcia Godoy. Garcia Godoy has lost much of his maneuverability: his only vocal support now comes from the left, while he depends on the military to preserve his authority and control. He may not be above seizing a pretext for resigning--possibly blaming the OAS or US for his troubles--in order to resolve his dilemma and further his nascent political ambitions. As provisional president, Garcia Godoy has come to appreciate the advantages of high office and may covet election in his own right.

There is no firm evidence that the renewal of violence was premeditated by any political group. However, politicians of both sides have been exploiting the bitterness of their followers to improve their own standings.

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